COUNTY OF SAN DIEGO, CALIFORNIA BOARD OF SUPERVISORS POLICY

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Purpose

To support amendments to redevelopment law which would generally reduce the negative financial and operational impacts on affected agencies, while at the same time maintaining this financing tool for beneficial projects in the region; and to oppose legislation which would expand the application of tax increment financing without appropriate criteria to protect against abuse.

Policy

It is the legislative policy of the County of San Diego with regard to redevelopment issues to:

- 1. Support legislation which would recognize the ongoing responsibility of counties to provide an array of regional services by protecting the general purpose revenue base of counties from erosion through unnecessary or protracted use of tax increment financing.
- 2. Support legislation which would amend the existing division of property taxes between a redevelopment agency and affected taxing entities to guarantee that taxing entities would receive, as a part of base year tax revenues, the annual two percent tax increment attributable to inflationary increases under Proposition 13.
- 3. Support legislation which would permit an affected taxing agency to benefit from the normal growth in tax increment within a redevelopment area.
- 4. Support legislation which would accelerate retirement of debt by applying the sales tax growth within the redevelopment area which exceeds increases in the Consumer Price Index to redevelopment project costs.
- 5. Support legislation which would require school districts to pass the full share of tax increment to the redevelopment agency.
- 6. Support legislation which would exclude from allocation to a redevelopment agency any increases in valuation of state assessed property.
- 7. Support legislation which would give counties greater discretion to determine the share of tax increment to be allocated to a redevelopment agency.
- 8. Support legislation which would provide to counties incentives to contribute some share of property tax increment over the annual two percent increment attributable to

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inflation, i.e., a guaranteed pass-through of tax increment in later years and/or a share of sales tax generated within the redevelopment project area.

- 9. Support legislation which would more fairly balance the roles of counties and cities in the negotiation process, e.g., require redevelopment agencies to provide more detailed and specific documentation of blight throughout the project area; require redevelopment agencies to describe other fiscal tools considered and reasons for not selecting those alternatives; require from redevelopment agencies analysis of proposed project improvements and the manner in which such improvements will generate growth in property tax revenues beyond that which might be anticipated in the absence of redevelopment.
- 10. Support legislation which would reimburse counties for all expenses incurred by the County Auditor and/or Assessor in performing any of the services required to be performed by counties for redevelopment agencies.
- 11. Oppose legislation which would limit the ability of counties to negotiate tax increment pass-through agreements.
- 12. Oppose legislation which would place limitations on redevelopment applicable only to projects in the unincorporated area.
- 13. Oppose legislation which would impose added, non-project related requirements on redevelopment agencies regarding the specific use of tax increment.

Sunset Date

This policy will be reviewed for continuance by 1/1/93.

Board Action 7-5-89 (45)

CAO Reference

- 1. Office of Intergovernmental and Public Affairs
- 2 Chief Administrative Officer